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1988/07/29



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DURING THE MAY VISIT TO THE U.S. OF VICE PREMIER TIAN JIYUN, THE PRESIDENT, SECRETARY CARLUCCI, AND SECRETARY SHULTZ, ALL EXPRESSED TO TIAN U.S. CONCERN OVER CHINA'S ROLE IN MISSILE PROLIFERATION. AND, IN LATE MAY, EMBASSY BEIJING RAISED WITH MFA OUR CONCERNS OVER A POSSIBLE MISSILE RACE IN SOUTH ASIA. THE DEMARCHE WAS MOTIVATED BY CONCERN THAT CHINA MAY BE ASSISTING THE PAKISTAN BALLISTIC MISSILE PROGRAM. CHINESE RESPONSE TO THESE APPROACHES EMPHASIZED THE NON-NUCLEAR NATURE OF THEIR MISSILE SALE TO SAUDI ARABIA, AND THE ASSURANCES GIVEN BY THE SAUDIS.

SECRETARY SHULTZ DURING HIS RECENT VISIT URGED THAT CHINA USE THE OCCASION OF YOUR VISIT TO BEIJING TO DISCUSS THE ISSUE OF MISSILE PROLIFERATION. THE CHINESE IN RESPONSE STATED THAT THEY HAVE MADE NO FURTHER SALES AND ARTICULATED THREE PRINCIPLES WHICH THEY APPLY TO PROPOSED ARMS TRANSFERS. SPECIFICALLY, WILL THE PROPOSED TRANSFER:

1. STRENGTHEN THE LEGITIMATE SELF-DEFENSE CAPABILITY OF THE COUNTRY CONCERNED;
2. BE CONDUCIVE TO PEACE, STABILITY AND SECURITY OF THE REGION CONCERNED; AND
3. NOT INTERFERE IN THE INTERNAL AFFAIRS OF OTHER COUNTRIES?

OUR OBJECTIVES WITH CHINA ARE TO SUGGEST AN INTERIM RESTRAINT APPROACH AND TO PERSUADE THEM TO REFRAIN FROM TRANSFERRING MISSILES AND RELATED TECHNOLOGY WHILE ENTERING INTO A DIALOGUE ON MISSILE PROLIFERATION CONTROL. SINCE

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THE TERMS FOR PARTICIPATION BY OTHER COUNTRIES IN THE MTCR MUST FIRST BE DISCUSSED WITH OTHER MTCR PARTICIPANTS, THE IMMEDIATE PRIORITY IS TO OBTAIN CHINESE AGREEMENT TO AN INTERIM RESTRAINT POLICY PENDING DEVELOPMENT OF A MORE COMPREHENSIVE APPROACH TO THE PROBLEM OF MISSILE PROLIFERATION.

TALKING POINTS

-- SECRETARY SHULTZ STRESSED DURING HIS RECENT VISIT THE

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CONCERN OF THE U.S. ABOUT MISSILE PROLIFERATION. THIS CONCERN IS INCREASINGLY SHARED BY THE WORLD COMMUNITY.

-- MISSILES IN MOST CASES PROVIDE NEW CAPABILITIES FOR COUNTRIES AND CAN CREATE OR INCREASE TENSIONS IN A REGION.

-- BALLISTIC MISSILES, FOR EXAMPLE, ARE DIFFICULT TO DETECT AND CURRENTLY IMPOSSIBLE TO DESTROY IN FLIGHT. THEY ARE WELL SUITED TO SURPRISE ATTACK. THUS, THEIR DEPLOYMENT CAN HEIGHTEN TENSIONS BETWEEN ADVERSARIES, INCREASE INCENTIVES FOR PREEMPTION DURING CRISES AND UNDERMINE REGIONAL STABILITY.

-- CONCERN ABOUT MISSILE PROLIFERATION LED US IN 1982 TO ENGAGE OUR SIX ECONOMIC SUMMIT PARTNERS IN DISCUSSIONS ON A COMMON APPROACH TO CONTROLLING EXPORTS OF MISSILES AND MISSILE TECHNOLOGY.

-- THE RESULTANT MISSILE TECHNOLOGY CONTROL REGIME IS ADHERED TO BY THE UNITED STATES, CANADA, FRANCE, THE FEDERAL REPUBLIC OF GERMANY, ITALY, JAPAN, AND THE UNITED KINGDOM.

-- THE REGIME CONTROLS THE EXPORT OF WHOLE BALLISTIC MISSILE OR CRUISE MISSILE SYSTEMS, AS WELL AS THEIR COMPONENT TECHNOLOGY.

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-- WE DEPEND ON THE NATIONAL EXPORT CONTROL SYSTEMS OF EACH PARTNER COUNTRY TO CONTROL REGIME EXPORTS, I.E., THE REGIME IS NOT A TREATY.

-- WE WILL BE MEETING WITH OUR REGIME PARTNERS IN SEPTEMBER TO CONSIDER HOW OTHER COUNTRIES WITH THE CAPABILITY TO SUPPLY MISSILE TECHNOLOGY MIGHT BECOME PARTIES TO THE MTCR.

-- I AM PREPARED TO DISCUSS THIS REGIME WITH YOU IN DETAIL, LATER DURING THIS VISIT.

-- WE HAVE ALSO DISCUSSED MISSILE PROLIFERATION WITH THE SOVIET UNION. AT THE MOSCOW SUMMIT, PRESIDENT REAGAN AND GENERAL SECRETARY GORBACHEV AGREED THAT EXPERT-LEVEL

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DISCUSSIONS SHOULD BE HELD. THOSE DISCUSSIONS WILL OCCUR IN SEPTEMBER. WE NOTE THAT GENERAL SECRETARY ZHAO HAS EXPRESSED INTEREST IN THE RESULTS OF THOSE TALKS. WE WILL BE PREPARED TO BRIEF YOU AFTER THE TALKS.

-- FROM THIS YOU CAN SEE THAT OUR CONCERN ABOUT MISSILE PROLIFERATION IS LONGSTANDING AND SEEKS TO ENCOMPASS ALL OF THE MAJOR SUPPLIERS.

-- IT IS OUR HOPE THAT THROUGH A DIALOGUE WITH YOU WE CAN REACH A SHARED UNDERSTANDING OF THE PROBLEM CREATED BY THE EXPORT OF MISSILES AND MISSILE TECHNOLOGY. FROM THAT SHARED UNDERSTANDING, WE HOPE THAT WE COULD ALSO IDENTIFY COMMON AREAS OF RESTRAINT.

-- A USEFUL STARTING POINT COULD BE A CLEARER UNDERSTANDING OF THE GENERAL PRINCIPLES WHICH GUIDE YOUR

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EXPORT PRACTICES. DURING SECRETARY SHULTZ'S RECENT VISIT, FOREIGN MINISTER QIAN STATED THAT AN ARMS SALE SHOULD BE CONDUCIVE TO THE PEACE AND STABILITY OF THE COUNTRY OR REGION CONCERNED. WE SHARE THIS VIEW.

-- WHEN APPLYING THIS CRITERION TO A POSSIBLE MISSILE SALE, WE BELIEVE THAT ONE MUST CONSIDER THE CAPABILITIES OF THE COUNTRY TO WHOM THE SALE IS MADE, AS WELL AS THE CAPABILITY OF THE MISSILE.

-- BECAUSE MISSILES CAN CARRY CONVENTIONAL, NUCLEAR OR CHEMICAL WARHEADS, IT IS NOT POSSIBLE TO ENSURE THAT A COUNTRY THAT POSSESSES CHEMICAL OR NUCLEAR WEAPONS WILL NOT SUBSTITUTE SUCH WARHEADS FOR A CONVENTIONAL WARHEAD.

-- IT IS PARTICULARLY DANGEROUS TO EXPORT MISSILES TO COUNTRIES WITH CHEMICAL OR NUCLEAR WEAPONS CAPABILITIES, WHERE THEIR INTENDED USE CANNOT BE KNOWN.

-- IT IS ALSO DIFFICULT TO SEE HOW THE SALE OF MISSILES TO COUNTRIES IN A STATE OF WAR IS COMPATIBLE WITH REGIONAL PEACE, STABILITY AND SECURITY.

-- IN ADDITION TO LOOKING AT THE CAPABILITY OF THE POTENTIAL RECIPIENT, THE CAPABILITY OF THE SYSTEM

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CONTEMPLATED FOR EXPORT, E.G., ITS RANGE, MUST ALSO BE CONSIDERED. THERE ARE DIFFERING CONSIDERATIONS THAT APPLY.

-- UNDER THE INF TREATY, THE U.S. AND USSR AGREED TO ELIMINATE ALL THEIR BALLISTIC MISSILES WITH A RANGE OF 500 TO 5,500 KMS, AND COMMITTED THEMSELVES NOT TO TRANSFER IRBM'S TO OTHER COUNTRIES. AS YOU KNOW, THE U.S. INSISTED THAT CHINESE SECURITY NEEDS BE TAKEN INTO ACCOUNT IN THAT TREATY.

-- UNDER THE MTCR, THE U.S. AND SIX OTHER COUNTRIES AGREED

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ON A PRESUMPTION OF DENIAL WITH RESPECT TO THE TRANSFER OF MISSILE SYSTEMS WITH RANGES OVER 300 KMS, AND THEIR MAJOR COMPONENT TECHNOLOGIES.

-- WE BELIEVE IT WOULD BE PROPER TO START WITH THE RANGE OF 300 KMS. ESTABLISHED BY THE MTCR AS A LIMIT ON MISSILE EXPORTS.

-- AN ALTERNATIVE WOULD BE TO EXERCISE RESTRAINT IN TRANSFER OF THOSE MISSILES THAT THE U.S. AND THE USSR HAVE AGREED NOT TO POSSESS OR TRANSFER -- THAT IS, THOSE WITH RANGES IN EXCESS OF 500 KM.

-- OVER THE PAST SEVERAL YEARS, THERE HAS BEEN REMARKABLE IMPROVEMENT IN THE U.S.-PRC RELATIONSHIP. IT IS IN THE INTEREST OF BOTH SIDES THAT THE RELATIONSHIP CONTINUE AND PROSPER.

-- HOWEVER, YOU MUST BE AWARE OF THE BASIC FACT THAT YOUR MISSILE EXPORTS ARE HAVING A MAJOR NEGATIVE IMPACT IN THE UNITED STATES.

-- OVER 100 CONGRESSMEN HAVE SIGNED A LETTER TO SECRETARY SHULTZ EXPRESSING CONCERN OVER CHINESE MISSILE SALES.

-- CONTINUING CHINESE EXPORT OF BALLISTIC MISSILES INEVITABLY WILL AFFECT NEGATIVELY THE CLIMATE OF U.S.-CHINA RELATIONS, AND COMPLICATE OUR EFFORTS TO MOVE FORWARD IN AREAS OF COOPERATION IMPORTANT TO BOTH SIDES.

-- MEDIA ATTENTION TO THE PROBLEM OF MISSILE PROLIFERATION

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AND CHINA'S ROLE IN IT IS INCREASING.

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-- WE DO NOT WISH TO SEE OUR ABILITY TO MOVE FORWARD IN AREAS OF MUTUAL INTEREST UNDERMINED THROUGH A LOSS OF PUBLIC SUPPORT IN THE U.S. FOR OUR RELATIONSHIP WITH CHINA.

-- WE SEEK YOUR COOPERATION IN LIMITING THE TRANSFER OF MISSILES AND MISSILE-RELATED TECHNOLOGY, AS WELL AS IN URGING RESTRAINT BY THOSE GOVERNMENTS WHICH HAVE ALREADY ACQUIRED MISSILES.

-- AS A NUCLEAR WEAPON STATE AND A PERMANENT MEMBER OF THE UN SECURITY COUNCIL, CHINA LIKE THE U.S. HAS A SPECIAL RESPONSIBILITY TO ENSURE THAT ARMS SALES, INCLUDING SALES OF MISSILES AND MISSILE-RELATED TECHNOLOGY, DO NOT DISTURB THE PEACE AND STABILITY OF ANY COUNTRY OR REGION.

-- BECAUSE OF THE IMPORTANCE OF THIS SUBJECT, IT IS THE HOPE OF THE U.S. THAT WE CAN CONTINUE TO DISCUSS THE SUBJECT OF MISSILE PROLIFERATION, BOTH IN TERMS OF ITS GLOBAL IMPACT AND IN TERMS OF THE DANGERS IT POSES TO STABILITY IN SPECIFIC REGIONS.

-- THIS WOULD BEST BE ACCOMPLISHED BY CONSULTATIONS BEFORE ANY FURTHER MISSILES ARE EXPORTED.

-- THE GOAL OF OUR DISCUSSIONS SHOULD BE A BROADLY BASED INTERNATIONAL AGREEMENT PROHIBITING SUCH EXPORTS, AND RESTRAINT BY ALL POTENTIAL EXPORTERS IN THE INTERIM.

2.(U) MTCR

BACKGROUND (PREPARED FOR THE APRIL 1987 PUBLIC ANNOUNCEMENT)

ON APRIL 16, 1987, THE UNITED STATES AND THE GOVERNMENTS OF CANADA, FRANCE, THE FEDERAL REPUBLIC OF GERMANY, ITALY, JAPAN, AND THE UNITED KINGDOM PUBLICLY ANNOUNCED THEIR DECISION TO FOLLOW AS OF THAT DATE A NEW SET OF GUIDELINES

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FOR EXPORTS OF NUCLEAR-CAPABLE MISSILES AND RELATED TECHNOLOGY AND HARDWARE.

THE SEVEN GOVERNMENTS TOOK THIS STEP BECAUSE OF THEIR CONCERN OVER THE POTENTIAL THREAT TO WORLD PEACE AND, OR SECURITY POSED BY THE PROLIFERATION OF NUCLEAR WEAPONS OR BY MISSILES CAPABLE OF DELIVERING THEM.

THE UNITED STATES GOVERNMENT HAS LONG HAD A POLICY OF NOT ALLOWING THE EXPORT OF TECHNOLOGY OR HARDWARE WHICH COULD CONTRIBUTE TO THE DEVELOPMENT OF STRATEGIC SYSTEMS CAPABLE OF DELIVERING NUCLEAR WEAPONS. FOR THAT REASON, THESE GUIDELINES DO NOT IN THEMSELVES MARK ANY DRAMATIC CHANGE IN U.S. EXPORT POLICY. THEY DO, HOWEVER, INCREASE OUR ABILITY TO IMPLEMENT THE POLICY AND THEY DEMONSTRATE OUR DETERMINATION TO WORK WITH OTHER NATIONS IN A COORDINATED MANNER TO LIMIT THE PROLIFERATION OF NUCLEAR-CAPABLE MISSILES.

THESE GUIDELINES ARE NOT DIRECTED TOWARD ANY COUNTRY, NOR ARE THEY INTENDED TO INTERFERE IN CONTINUED COOPERATION WITH ANY GOVERNMENT ON PEACEFUL PROJECTS FOR THE UTILIZATION OF OUTER SPACE. HOWEVER, SUCH COOPERATION BETWEEN THE US AND OTHER COUNTRIES MUST TAKE PLACE IN WAYS THAT ARE FULLY CONSISTENT WITH THE NON-PROLIFERATION POLICIES OF THE U.S. GOVERNMENT.

THE ADHERENCE OF ALL STATES TO THESE GUIDELINES IS WELCOMED IN THE INTEREST OF INTERNATIONAL PEACE AND SECURITY.

MISSILE TECHNOLOGY CONTROL REGIME: QUESTIONS AND ANSWERS

Q. WHAT IS THE PURPOSE OF THE MISSILE TECHNOLOGY

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GUIDELINES?

A. THE PURPOSE OF THE GUIDELINES IS TO LIMIT THE RISKS OF NUCLEAR PROLIFERATION BY CONTROLLING TRANSFERS OF EQUIPMENT AND TECHNOLOGY WHICH COULD MAKE A CONTRIBUTION TO NUCLEAR WEAPONS DELIVERY SYSTEMS, OTHER THAN MANNED AIRCRAFT. THESE GUIDELINES COMPLEMENT EXISTING NON-PROLIFERATION EFFORTS.



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Q. WHICH COUNTRIES PARTICIPATED IN THE FORMULATION OF THE GUIDELINES?

A. CANADA, THE FEDERAL REPUBLIC OF GERMANY, FRANCE, ITALY, JAPAN, THE UNITED KINGDOM, AND THE UNITED STATES.

Q. IS THIS AN INTERNATIONAL AGREEMENT OR TREATY?

A. NO. THE SEVEN GOVERNMENTS HAVE ISSUED IDENTICAL STATEMENTS OF NATIONAL POLICY.

Q. IS THIS JUST ANOTHER ATTEMPT BY THE ECONOMIC SUMMIT SEVEN TO IMPOSE FURTHER CONTROLS ON HIGH TECHNOLOGY EXPORTS TO THE DEVELOPING WORLD?

A. NO. THE SEVEN COUNTRIES ARE THE MAJOR WESTERN SUPPLIERS OF MISSILE RELATED TECHNOLOGY AND EQUIPMENT. OUR CONTINUING AIM IS TO ENCOURAGE INTERNATIONAL COOPERATION IN THE PEACEFUL USE OF MODERN TECHNOLOGY, BUT IN WAYS FULLY CONSISTENT WITH THE AIMS OF OUR MUTUALLY AGREE NON-PROLIFERATION POLICY.

Q. DID ANY DEVELOPING COUNTRIES PARTICIPATE IN THE DISCUSSIONS LEADING TO THE GUIDELINES?

A. NO. THE PARTICIPANTS IN THE DISCUSSION WERE THOSE COUNTRIES WHICH ARE MAJOR SUPPLIERS OF MISSILE-RELATED

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EQUIPMENT AND TECHNOLOGY. AS TECHNOLOGY HOLDERS, THEY ARE IN THE BEST POSITION TO DECIDE HOW TO STANDARDIZE THEIR NATIONAL CONTROLS. AS IS STATED IN THE GUIDELINES, THE ADHERENCE OF ALL STATES TO THE GUIDELINES IS WELCOMED IN THE INTEREST OF INTERNATIONAL PEACE AND STABILITY.

Q. WHAT CRITERIA WILL BE USED IN DECIDING WHETHER AN EXPORT WILL CONTRIBUTE TO A NUCLEAR WEAPONS DELIVERY SYSTEM?

A. THE CRITERIA, AS DESCRIBED IN PARAGRAPH 2 OF THE GUIDELINES, ARE AS FOLLOWS:

(A) NUCLEAR PROLIFERATION CONCERNS;

(B) THE CAPABILITIES AND OBJECTIVES OF THE MISSILE AND

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SPACE PROGRAMS OF THE RECIPIENT STATES;

(C) THE SIGNIFICANCE OF THE TRANSFER IN TERMS OF THE POTENTIAL DEVELOPMENT OF NUCLEAR WEAPONS DELIVERY SYSTEMS OTHER THAN MANNED AIRCRAFT;

(D) THE ASSESSMENT OF THE END-USE OF THE TRANSFERS;

(E) THE APPLICABILITY OF RELEVANT MULTILATERAL AGREEMENTS.

Q. AT WHAT COUNTRIES ARE THESE GUIDELINES AIMED?

A. THE GUIDELINES ARE NOT DIRECTED AGAINST PEACEFUL COOPERATIVE ACTIVITIES WITH DEVELOPING COUNTRIES. DECISIONS ON OTHER PROJECTS OR ACTIVITIES ARE MADE ON A CASE-BY-CASE BASIS.

Q. WILL A DECISION ON WHETHER TO APPROVE AN EXPORT BE MADE

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ON A CONSENSUS PRINCIPLE?

A. THE DECISION IS LEFT TO NATIONAL DISCRETION.

Q. WHY WASN'T CHINA INVITED TO PARTICIPATE IN DISCUSSIONS ON THE MISSILE TECHNOLOGY GUIDELINES?

A. IT IS TRUE THAT CHINESE NON-PROLIFERATION POLICY GENERALLY PARALLELS THAT OF WESTERN NATIONS. IN THIS INSTANCE, HOWEVER, THE SEVEN ORIGINAL COUNTRIES INVOLVED PREFERRED TO DISCUSS AND DEVELOP THE GUIDELINES AMONG THEMSELVES. IT IS NOTEWORTHY THAT EVEN THE OTHER NATO COUNTRIES WERE NOT INVITED TO DISCUSS THIS ISSUE, A PRIORI. BUT ALL COUNTRIES ARE INVITED TO ADHERE TO THE GUIDELINES.

Q. IS THERE ANY CONNECTION BETWEEN THE MISSILE TECHNOLOGY GUIDELINES AND THE NUCLEAR SUPPLIERS' GUIDELINES?

A. NO. THE TWO SETS OF GUIDELINES ARE AIMED AT CONTROLLING DIFFERENT ITEMS. THEY ARE PARALLEL EFFORTS ARISING FROM SHARED PROLIFERATION CONCERNS, BUT WE DO NOT ANTICIPATE THAT THEY WOULD BE MERGED TOGETHER.

Q. WILL ADOPTION OF THE GUIDELINES JEOPARDIZE A NATION'S

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EXPORTS?

A. WE BELIEVE THAT ADOPTION OF THE GUIDELINES WILL HAVE LITTLE EFFECT ON THE COMMERCIAL COMPETITIVENESS OF ADHERING NATIONS, AS THEY ARE NOT AIMED AT PREVENTING EXPORTS FOR PEACEFUL PURPOSES.

Q. HOW WILL EACH GOVERNMENT USE THE ANNEX?

A. EACH GOVERNMENT WILL USE ITS OWN NATIONAL EXPORT CONTROL LEGISLATION AND PROCEDURES TO IMPLEMENT CONTROL OF

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THE TRANSFER OF THE ITFMS ON THE ANNEX.

Q. ARE THERE ANY SECRET PROVISIONS TO THE MISSILE TECHNOLOGY GUIDELINES?

A. AS IS ALWAYS THE CASE WITH DIPLOMATIC DISCUSSIONS, THE RECORD OF THE DISCUSSIONS ON THE GUIDELINES IS AND SHALL REMAIN CLASSIFIED.

Q. DO THE GUIDELINES PERMIT THE EXPORT OF ANNEX ITEMS TO RECIPIENT COUNTRIES WHICH DO NOT HAVE NUCLEAR WEAPONS DEVELOPMENT PROGRAMS?

A. THAT WOULD DEPEND ON THE INDIVIDUAL CASE. HOWEVER, IT IS WORTH NOTING THAT MISSILES FOR DELIVERING NUCLEAR WEAPONS CAN BE ACQUIRED IN ADVANCE OF DEVELOPING THE NUCLEAR WARHEADS THEMSELVES. ALSO, A COUNTRY THAT DOES NOT POSE A NUCLEAR PROLIFERATION POTENTIAL ITSELF COULD CONCEIVABLY DEVELOP AND PROVIDE MISSILES OR ENABLING TECHNOLOGIES TO OTHER NATIONS THAT ARE PURSUING A NUCLEAR CAPABILITY. SUCH FACTORS MUST OF COURSE BE CONSIDERED IN ANY DECISION.

Q. CAN ALL ITEMS ON THE ANNEX BE SOLD TO COUNTRIES WHICH PARTICIPATED IN THE FORMULATION OF THE GUIDELINES?

A. TRANSFERS WOULD BE JUDGED ON A CASE-BY-CASE BASIS. WE DO NOT FORESEE ANY TRANSFERS TO THESE COUNTRIES THAT WOULD BE PREVENTED BY THESE GUIDELINES.

Q. WHAT MEASURES, IF ANY, HAVE THE PARTICIPATING

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GOVERNMENTS ADOPTED TO ENSURE COMPLETE COMPLIANCE WITH THE GUIDELINES BY OTHER PARTICIPANTS?

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A. EACH GOVERNMENT WHICH IS ADHERING TO THE GUIDELINES IS DOING SO VOLUNTARILY AND HAS PUBLICLY EXPRESSED ITS POLICY TO CONTROL THE EXPORT OF EQUIPMENT AND TECHNOLOGY APPLICABLE TO MISSILES.

Q. WHAT MEASURES, IF ANY, HAVE THE PARTICIPATING GOVERNMENTS ADOPTED TO PENALIZE ORGANIZATIONS OR INDIVIDUALS WHO VIOLATE THE GUIDELINES?

A. EACH GOVERNMENT ADHERING TO THE GUIDELINES IS SOLELY RESPONSIBLE FOR IMPLEMENTATION AND ENFORCEMENT WITHIN ITS OWN JURISDICTION OR CONTROL.

Q. ARE THERE ANY COUNTRIES IN PARTICULAR THAT THE ORIGINAL SEVEN PLAN TO RECRUIT OR HOPE WILL ADHERE TO THESE GUIDELINES?

A. ALL COUNTRIES ARE INVITED TO ADHERE TO THE GUIDELINES, AND WE SINCERELY HOPE THAT ALL COUNTRIES WOULD REALIZE THAT ADHERENCE IS IN THEIR OWN LONG-TERM BEST INTERESTS. HOWEVER, WE PUT A SLIGHTLY HIGHER PRIORITY ON MAKING THE TECHNOLOGICALLY ADVANCED AND ADVANCING COUNTRIES AWARE OF THE REGIME AND ITS BENEFITS.

Q. WILL THE GUIDELINES HAMPER COOPERATION WITHIN NATO?

A. NO. THE APPLICATION OF THESE GUIDELINES WILL BE SUBJECT TO INTERNATIONAL TREATY OBLIGATIONS, SUCH AS UNDER NATO.

Q. FOR THE EUROPEAN ADHERENTS OF THIS REGIME, DON'T THE MISSILE TECHNOLOGY GUIDELINES CUT OFF THEIR COOPERATION UNDER THE EUROPEAN SPACE AGENDA AND THE EUROPEAN ECONOMIC COMMUNITY?

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A. NO. THE APPLICATION OF THESE GUIDELINES WILL BE SUBJECT TO THE INTERNATIONAL TREATY OBLIGATIONS OF THOSE GOVERNMENTS.

Q. WHAT INTERNATIONAL COOPERATION IS PERMITTED BY THE GUIDELINES IN THE AREAS OF SCIENCE AND SPACE ACTIVITY?

A. THE GUIDELINES ARE DESIGNED ONLY TO IMPEDE PROGRAMS OR COOPERATION THAT COULD CONTRIBUTE TO NUCLEAR WEAPONS DELIVERY SYSTEMS, NOT PEACEFUL SPACE PROJECTS OR SYSTEMS. UNDER THE GUIDELINES, INTERNATIONAL COOPERATION WILL CONTINUE, GROW, AND DIVERSIFY.

SPECIFICALLY, THE GUIDELINES PERMIT A BROAD RANGE OF INTERNATIONAL COOPERATION INCLUDING: (1) PROVISIONS OF LAUNCH SERVICES; (2) SATELLITE PAYLOADS FOR SUCH PURPOSES AS TELECOMMUNICATIONS, REMOTE SENSING, AND SPACE SCIENCE; AND (3) MANNED AIRCRAFT. WITHIN THE PROCEDURES AND PURPOSE OF THE GUIDELINES, THE FORMS OF SUCH COOPERATION MAY INCLUDE BUT ARE NOT LIMITED TO: (1) EXCHANGES OF SCIENTISTS, ENGINEERS, DATA, AND TECHNOLOGY; (2) COOPERATIVE EDUCATIONAL AND INSTITUTION-BUILDING ACTIVITIES; (3)

LABORATORY-TO-LABORATORY AND SERVICE-TO-SERVICE AGREEMENTS; (4) COORDINATED BILATERAL AND MULTILATERAL RESEARCH PROGRAMS; AND (5) EXPORTS OF HARDWARE, SOFTWARE, TECHNOLOGY, AND SERVICES.

Q. WHAT INTERNATIONAL COOPERATION IS PERMITTED BY THE GUIDELINES IN THE AREA OF MILITARY ACTIVITY?

A. THE GUIDELINES PERMIT COOPERATION ON MANNED AIRCRAFT AND ON ALL FORMS OF MISSILES WITH RANGE LESS THAN 300 KM OR

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PAYLOAD LESS THAN 500 KG. THE MODES OF COOPERATION ON PEACEFUL ACTIVITIES ARE ALSO PERMITTED WITH RESPECT TO MILITARY ACTIVITIES.

Q. WHY WERE THE PARAMETERS FOR CATEGORY I MISSILE SYSTEMS SET AT A RANGE OF AT LEAST 300 KM AND A PAYLOAD OF AT LEAST 500 KG?

A. THE 300 KM RANGE WAS ESTABLISHED FOR TWO REASONS.

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FIRST, THIS PARAMETER CORRESPONDS TO THE STRATEGIC DISTANCES IN THE MOST COMPACT THEATERS OF POTENTIAL CONFLICT WHERE NUCLEAR MISSILES MIGHT BECOME A THREAT. ALLOWING FOR THE NORMAL MILITARY PRACTICE OF DEPLOYING LONG RANGE MISSILES WELL BACK FROM THE NATIONAL BORDER, THE STRATEGIC DISTANCES ARE APPROXIMATELY 300 KM OR GREATER. SECOND, A 300 KM RANGE IS A WORKABLE PARAMETER WITH RESPECT TO EXISTING INTERNATIONAL COMMERCE. THERE ARE NO LARGE MISSILE SYSTEMS IN WIDESPREAD COMMERCE WITH RANGES OF 300 KM -- WITH THE POSSIBLE EXCEPTION OF THE SOVIET SCUD-B. BECAUSE THERE IS SUBSTANTIAL TRADE IN MISSILES WITH LOWER RANGES, THE 300 KM PARAMETER IS THE LOWEST REALISTICALLY ACHIEVABLE PLACE FOR THE CONTROL PARAMETER.

THE 500 KG PAYLOAD PARAMETER TAKES INTO ACCOUNT THE FACT THAT THE POTENTIAL NUCLEAR WEAPONS RELEVANT TO THIS POLICY ARE NOT HIGHLY SOPHISTICATED. IT TAKES A RELATIVELY HIGH LEVEL OF TECHNOLOGICAL EXPERTISE TO MAKE A VERY SMALL WARHEAD. THE WARHEADS OF CONCERN ARE LIKELY TO REQUIRE A PAYLOAD OF 500 KG OR GREATER.

Q. IS THE MTCR RELATED TO THE STRATEGIC DEFENSE INITIATIVE?

A. NO. THE MISSILE TECH REGIME IS DESIGNED TO LIMIT THE PROLIFERATION OF NUCLEAR-CAPABLE MISSILES. SDI IS A RESEARCH EFFORT THAT MAY EVENTUALLY YIELD EFFECTIVE DEFENSES AGAINST ANY BALLISTIC MISSILE ATTACK, REGARDLESS

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OF ORIGIN.

Q. WITH RESPECT TO THE U.S. EXPORT CONTROL SYSTEM, WILL THERE BE AN INCREASE IN CONTROLS OF DUAL-USE COMMODITIES?

A. ALL DUAL-USE COMMODITIES AFFECTED BY THE MISSILE TECH REGIME ALREADY REQUIRE EXPORT LICENSES FROM THE DEPARTMENT OF COMMERCE, FOR NATIONAL SECURITY PURPOSES. CONSEQUENTLY, THERE ARE NO NEW REQUIREMENTS FOR INDIVIDUAL VALIDATED LICENSES FOR HARDWARE. THERE WILL BE SOME ADDITIONAL LICENSING REQUIREMENTS FOR ASSOCIATED TECHNICAL DATA.

3.(S) Q'S/A'S RELATING TO MISSILE PROLIFERATION

Q.1 WHY WAS CHINA NOT INVITED TO PARTICIPATE IN THE

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NEGOTIATIONS WHICH LED TO THE MTCR?

A.1 AS A FIRST STEP, DISCUSSIONS WERE HELD AMONG SEVEN NATIONS WHICH WERE MAJOR TECHNOLOGY SUPPLIERS. EVEN SO, THE DISCUSSIONS WERE LONG AND DIFFICULT. THE RESULTING REGIME WAS DESIGNED SO THAT OTHER NATIONS COULD ADHERE TO IT WITHOUT SACRIFICING THEIR SOVEREIGNTY.

Q.2 HOW DO YOU PROPOSE THAT OTHER MISSILE SUPPLIERS OUTSIDE THE MTCR BE PREVENTED FROM SELLING MISSILES?

A.2 OUR THINKING PRESENTLY RUNS ALONG THE LINES OF AGREEMENT TO INTERIM RESTRAINT BY MAJOR SUPPLIERS, WHILE THE MTCR OR POSSIBLE ALTERNATIVE ARRANGEMENTS ARE BEING CONSIDERED.

Q.3 YES, BUT WHAT WILL MOTIVATE NATIONS WHICH NEED TO EXPORT, SUCH AS BRAZIL, TO JOIN IN SUCH A PROCESS?

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A.3 WE EXPECT OVER THE LONG RUN, THE COMBINATION OF EXPORT CONTROLS ON THE PART OF MAJOR SUPPLIERS OF TECHNOLOGY, PLUS THE EXAMPLE OF RESTRAINT SET BY OTHER, MORE TECHNICALLY CAPABLE NATIONS AND THE GROWING RESISTANCE BY THE COMMUNITY OF NATIONS TO THE SALE OF LETHAL, DESTABILIZING WEAPONS WILL INFLUENCE ALL COUNTRIES IN A RESPONSIBLE DIRECTION.

Q.4 WHY HAS THE U.S. SINGLED CHINA OUT FOR CRITICISM WITH REGARD TO MISSILE SALES?

A.4 WE HAVE NOT DONE SO. RATHER, OUR CONCERNS RELATE TO THE GLOBAL PROLIFERATION OF MISSILES, AND TO ANY SALE OF MISSILES BEYOND CERTAIN THRESHOLDS. ( SEE A.10, BELOW.)

Q.5 IN THEIR MEETING ON JULY 14, THE GENERAL SECRETARY AND SECRETARY SHULTZ DISCUSSED CONTROLS ON TECHNOLOGY EXPORTS.

RECENTLY, WE HAVE EXPERIENCED A PROBLEM WITH THE EXPORT OF TWO U.S. CRAY COMPUTERS TO CHINA. IS THIS AN EXAMPLE OF HOW THE PROBLEM IS BEING SOLVED?

A.5 AS WE HAVE NOTED, THE SALE OF BALLISTIC MISSILES TO THE MIDEAST HAS HAD AN IMPACT ON THE CLIMATE OF OPINION IN

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WASHINGTON, AND THUS ON OUR ABILITY TO MOVE FORWARD IN AREAS OF MUTUAL INTEREST.

Q.6 WHAT WILL YOU BE DISCUSSING WITH THE USSR IN SEPTEMBER?

A.6 WE WILL BE DISCUSSING MUCH THE SAME MATERIALS WE ARE DISCUSSING WITH YOU.

Q.7 COULD YOU EXPAND ON THE IDEA OF AN "EXPERT GROUP" MEETING WHICH WAS MENTIONED BY SECRETARY SHULTZ?

A.7 BY "EXPERT GROUP," WE MEAN OFFICIALS WHO ARE GENUINELY

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KNOWLEGABLE ABOUT, IN THIS CASE, THE MISSILE PROLIFERATION PROBLEM AND WHO MEET TO PREPARE THE WAY FOR SUBSEQUENT POLICY DISCUSSIONS. MUCH OF OUR ARMS CONTROL EFFORTS WITH THE SOVIET UNION WOULD FALL IN THIS CATEGORY.

Q.8 HOW DO YOU PROPOSE TO DEAL WITH THE PROBLEM OF CW PROLIFERATION? DO YOU LINK IT TO MISSILE PROLIFERATION?

A.8 THE GROWING AVAILABILITY OF CW ADDS A SINISTER DIMENSION TO THE MISSILE PROLIFERATION PROBLEM. WE THINK GREAT RESTRAINT SHOULD BE EXERCISED WITH RESPECT TO MISSILE EXPORTS TO COUNTRIES WITH CW CAPABILITIES. WE AND OTHER CONCERNED NATIONS ARE DEALING WITH CW AT THE CONFERENCE ON DISARMAMENT IN GENEVA. IN ADDITION, WE FORESEE THE NEED FOR ACTIVE COOPERATION AMONG ALL NATIONS CAPABLE OF DEVELOPING CW. EFFECTIVE CONTROLS WILL CERTAINLY REQUIRE INTRUSIVE VERIFICATION PROCEDURES.

Q.9 WHICH AREAS OF THE WORLD DO YOU BELIEVE REQUIRE SPECIAL TREATMENT FOR PROLIFERATION REASONS?

A.9 WE ARE ESPECIALLY CONCERNED ABOUT AREAS WHERE THERE IS AN ACTUAL CONFLICT, AS IN THE MIDEAST, OR WHERE THERE IS A HISTORY OF CONFLICT, SUCH AS SOUTH ASIA. THE COUNTRIES THAT CONCERN US MOST ARE THOSE WHICH HAVE THE INTENTION AND CAPABILITY OF DEVELOPING NUCLEAR WEAPONS OR WHICH HAVE DEVELOPED CHEMICAL WEAPONS.

Q.10 ARE THERE PARTICULAR MISSILE PROJECTS THAT CONCERN YOU?



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A.10 YES, THEY ARE:

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-- THE CONDOR II/VECTOR/BADR 2000 BEING DEVELOPED BY ARGENTINA, EGYPT, AND IRAQ

-- THE BRAZILIAN SONDA IV

-- THE INDIAN MISSILE PROJECT

-- PAKISTAN'S MISSILE PROJECT

-- THE ISRAELI JERICHO II PROJECT

BEYOND THIS, ANY SALE OF A COMPLETE MISSILE SYSTEM, CAPABLE OF DELIVERING A PAYLOAD OF 500 KG TO A RANGE OF 300 KM IS OF CONCERN TO US, AND TO AN INCREASING NUMBER OF COUNTRIES. WE HAVE NOTED PRESS REPORTS OF PLANNED SALES TO LIBYA AND SYRIA.

Q.11 WHILE THE U.S. HAS EXPRESSED CONCERN OVER CHINESE MISSILE SALES, MANY OTHER NATIONS HAVE NOT, INCLUDING SOME MUCH MORE DIRECTLY INTERESTED. HOW THEN CAN YOU SAY THERE IS WORLD WIDE CONCERN OVER OUR MISSILE EXPORTS?

A.11 WE HAVE RECEIVED MANY SUCH EXPRESSIONS. INDEED, THERE HAS BEEN SPECULATION THAT ONE NATION CONSIDERED ITS MILITARY OPTIONS TO DEAL WITH THE CSS-2 SALE. MOREOVER, THERE IS CLEARLY A GROWING WORLDWIDE AWARENESS OF THE SERIOUSNESS OF THE MISSILE PROLIFERATION PROBLEM. EFFORTS TO CONTAIN THE PROBLEM ARE CERTAIN TO GROW.

Q.12 WE INVITE YOU TO TELL US MORE ABOUT THE MTCR.

A.12 (SEE SEPARATE PACKAGE OF TALKING POINTS, Q'S AND A'S, AND PRINTED MATERIAL ON THE MTCR.)

Q.13 WHAT MEANING HAS, SAY, A 300 KM RANGE LIMITATION IN A REGION SUCH AS THE MIDDLE EAST?

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A.13 THE MIDEAST IS INDEED A COMPACT REGION, AND THE SECURITY PROBLEMS OF NATIONS IN THAT AREA ARE PARTICULARLY ACUTE. THIS IS THE SORT OF PROBLEM WHICH LEADS US TO CONSIDER SOLUTIONS WHICH WOULD SUPPLEMENT THE MTCR, SUCH AS RESTRAINT BY MISSILE SUPPLIERS WITH RESPECT TO A GIVEN REGION.

Q.14 WHAT "CAPABILITIES" OF A RECIPIENT COUNTRY SHOULD BE CONSIDERED WHEN PLANNING A MISSILE SALE?

A.14 WE HAVE IN MIND THE CAPABILITIES OF A COUNTRY WITH RESPECT TO THE DEVELOPMENT OF NUCLEAR AND CW WEAPONS. ALSO, THE SECURITY ENVIRONMENT OF THE COUNTRY AND ITS PROBABLE INTENTIONS SHOULD BE ASSESSED.

Q.15 WHAT IS THE NATURE OF THE LONG-TERM SOLUTION WHICH YOU FORESEE FOR THE MISSILE PROLIFERATION PROBLEM? WHAT WOULD BE THE NATURE OF THE "BALLISTIC MISSILE TECHNOLOGY CONTROL REGIME" REFERRED TO BY SECRETARY SHULTZ?

A.15 WE FORESEE A MULTI-STAGED PROCESS:

-- FIRST, WE MUST CONTINUE AND BROADEN THE DIALOGUE AMONG MISSILE SUPPLIERS ON HOW TO HALT PROLIFERATION.

-- NEXT, THE MAJOR SUPPLIERS SHOULD ACT TO STEM THE FLOW OF MISSILES AND MISSILE TECHNOLOGY TO THE MOST DANGEROUS REGIONS.

-- LASTLY, WE MUST BEGIN THE LONG AND ARDUOUS PROCESS OF DEVELOPING A GLOBAL RESTRAINT REGIME, IN WHICH ALL SUPPLIERS AND RECIPIENTS WOULD TAKE PART, TO CONSTRAIN THE

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PROLIFERATION OF MISSILES AND MISSILE TECHNOLOGY.

THE MTCR, WHICH EXISTS NOW, COULD BE PART OF THIS PROCESS. AS YOU KNOW, TALKS ARE UNDERWAY BETWEEN THE U.S. AND THE USSR ON MISSILE PROLIFERATION. IT WOULD BE USEFUL IF CHINA COULD ALSO JOIN IN THIS WORK.

4.(S) MISSILE PROLIFERATION: CONTINGENCY NON-PAPER

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## THE MISSILE PROLIFERATION PROBLEM

-- THE PROLIFERATION OF MISSILES CAPABLE OF DELIVERING NUCLEAR OR CHEMICAL WEAPONS IS EMERGING AS ONE OF THE MOST SERIOUS PROBLEMS OF OUR TIME.

-- THE U.S. HAS LONG BEEN CONCERNED WITH THIS PROBLEM AND HAS MANAGED ITS OWN SPACE COOPERATION PROGRAMS WITH PROLIFERATION IN MIND. MORE RECENTLY, SIX WESTERN NATIONS AND JAPAN HAVE AGREED TO A COMMON SET OF CONSTRAINTS ON THE EXPORT OF MISSILES AND MISSILE TECHNOLOGY TO NATIONS OF PROLIFERATION CONCERN.

-- HOWEVER, CONFLICTS BETWEEN NATIONS LEADS TO A CONTINUING SEARCH FOR NEW AND BETTER WEAPONS. MISSILES OF VARIOUS TYPES ARE SOUGHT AFTER FOR THEIR LETHALITY, THE SPEED WITH WHICH THEY STRIKE, AND THE FACT THAT THERE IS NO EFFECTIVE DEFENSE.

-- BOTH BALLISTIC MISSILES AND CHEMICAL WEAPONS HAVE RECENTLY BEEN USED IN THE IRAQ-IRAN WAR. IT IS POSSIBLE THAT THE WORLD WILL SEE A CATASTROPHIC MATING OF THESE TWO FORMS OF WEAPONS, WITH AN INEVITABLE QUANTUM JUMP IN THE LEVEL OF DAMAGE AND SUFFERING WHICH THE POSSESSORS WILL BE ABLE TO INFLICT ON OTHERS.

-- THE NATURE OF THE PROBLEM MAKES IT IMPERATIVE THAT ALL

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COUNTRIES, AND PARTICULARLY THE PERMANENT MEMBER OF THE UN SECURITY COUNCIL WHICH BEAR A SPECIAL RESPONSIBILITY IN WORLD AFFAIRS, DEVOTE THE NECESSARY EFFORT TO BRING MISSILE PROLIFERATION UNDER CONTROL.

-- WE HAVE BEFORE US THE EXAMPLE OF THE NPT, WHICH HAS CERTAINLY BEEN SUCCESSFUL IN SLOWING THE SPREAD OF NUCLEAR WEAPONS.

## CHINA'S ROLE

-- WITH THE SALE OF CSS-2 MISSILES TO SAUDI ARABIA, CHINA HAS MOVED TO THE FOREFRONT OF THE MISSILE PROLIFERATION ISSUE.

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-- NEVER BEFORE HAVE NUCLEAR-CAPABLE MISSILES OF THIS RANGE BEEN SOLD IN THE MIDDLE EAST.

-- WHILE THE ASSURANCES GIVEN BY SAUDI ARABIA ARE MOST WELCOME, INTENTIONS CAN CHANGE, AND THE MISSILES WILL REMAIN CAPABLE OF DELIVERING NUCLEAR AND CW PAYLOADS.

-- WITHOUT QUESTION, THIS SALE WILL MOTIVATE OTHER COUNTRIES IN THE REGION TO TRY TO ACQUIRE SIMILAR WEAPONS.

-- IN THIS CONTEXT, WE TAKE NOTE OF THE THREE PRINCIPLES ENUNCIATED BY FOREIGN MINISTER QIAN ON JULY 14, 1988, TO THE EFFECT THAT CHINESE ARMS EXPORTS SHOULD:

0 STRENGTHEN THE LEGITIMATE SELF-DEFENSE CAPABILITY OF THE COUNTRY CONCERNED;

0 BE CONDUCIVE TO THE PEACE, STABILITY AND SECURITY OF THE

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REGION CONCERNED; AND;

0 NOT INTERFERE IN THE INTERNAL AFFAIRS OF OTHER COUNTRIES.

-- I WOULD BE INTERESTED IN LEARNING MORE ABOUT THESE PRINCIPLES, AND HOW YOU THINK ABOUT THE KEY CONCEPTS THEREIN. WHAT DO YOU CONSIDER TO BE "LEGITIMATE SELF-DEFENSE" AND WHAT NOT? WHEN IS AN ARMS EXPORT "CONDUCIVE TO PEACE, STABILITY AND SECURITY" OF A REGION, AND WHEN NOT? THESE CONCEPTS ARE OF PARTICULAR INTEREST AS THEY RELATE TO MISSILE SALES AND TO THE REGION OF THE MIDDLE EAST.

#### MISSILE PROJECTS OF CONCERN

-- LET ME EMPHASIZE THAT THE U.S. IS NOT SINGLING OUT CHINA WHEN IT EXPRESSES CONCERN OVER MISSILE PROLIFERATION. THERE ARE A NUMBER OF COUNTRIES WHICH HAVE MISSILE DEVELOPMENT PROJECTS WHICH CONCERN US. I WILL MENTION FIVE SUCH PROJECTS, NOW:

1. THE CONDOR II/VECTOR/BADR 2000 PROJECT, IN WHICH ARGENTINA, AND EGYPT AND IRAQ ARE COOPERATING;

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2. THE BRAZILIAN SONDA IV PROJECT;

3. THE INDIAN MISSILE PROJECT;

4. THE PAKISTANI MISSILE PROJECT; AND

5. THE ISRAELI JERICH0 II PROJECT;

-- WHILE THESE PROJECTS DIFFER IN SCOPE AND CONTENT, EACH HAS THE POTENTIAL TO CREATE A NEW MISSILE SYSTEM CAPABLE OF DELIVERING NUCLEAR OR CW WARHEADS. THUS, OUR CONCERN.

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-- OUR CONCERN IS SHARED BY A NUMBER OF OTHER RESPONSIBLE SUPPLIERS OF MISSILE TECHNOLOGY, AND WE BELIEVE THAT COOPERATIVE MEASURES, INCLUDING EXPORT CONTROLS, DIRECTED TOWARDS THESE PROJECTS, ARE NECESSARY AND FEASIBLE.

-- I WELCOME YOUR VIEWS ON THIS ISSUE.

MEASURES TO DEAL WITH MISSILE PROLIFERATION

-- WHAT IS TO BE DONE?

-- THE FIRST STEP, CLEARLY, IS TO IMPROVE OUR UNDERSTANDING OF EACH OTHER'S POSITION, INCLUDING RELEVANT TECHNICAL ISSUES. SECRETARY SHULTZ HAS PROPOSED BILATERAL EXPERTS DISCUSSIONS, TO THIS END.

-- ON THE BASIS OF SUCH DISCUSSIONS, ASSUMING THAT SUFFICIENT SHARED OBJECTIVES ARE IDENTIFIED, WE AND OTHER MAJOR MISSILE SUPPLIERS SHOULD MOVE RAPIDLY TO CONTROL THE FLOW OF MISSILES AND MISSILE TECHNOLOGY TO AREAS OF INSTABILITY, SUCH AS THE MIDDLE EAST, AND TO INDIVIDUAL PROJECTS OF CONCERN SUCH AS THOSE IDENTIFIED ABOVE.

-- FINALLY, WE AND OTHER CONCERNED STATES MUST BEGIN THE LONG PROCESS OF DEVELOPING A GLOBAL RESTRAINT REGIME, IN WHICH BOTH SUPPLIERS AND RECIPIENTS COULD TAKE PART, TO CONSTRAIN THE PROLIFERATION OF MISSILES AND MISSILE TECHNOLOGY.

-- IT IS UP TO THOSE NATIONS WHO POSSESS THE WORLD'S

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MISSILE TECHNOLOGY TO CONTAIN IT, OR TO FAIL TO CONTAIN IT.

END TEXT OF BRIEFING PAPERS. SHULTZ

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